

CONFIDENTIAL

12 August 1948

25X1

Acting Chief, FBIS

Inspection of FBIS Operations on Cyprus

1. Enclosed for your information is report of Cyprus inspection by a representative of I & S. The FBIS Cyprus group is congratulated on the complimentary findings of the inspector.

2. Recommendations of Part III are being or have been implemented from Washington, with the exception of Nos. 20 and 29. Request has been transmitted separately that you approach British Military Officials, if you have not already done so, to arrange for military protection in the event of violent labor troubles. It is requested that you attempt to implement locally recommendation No. 20 by approaching the American Consul on Cyprus or AWAC, Athens, with respect to commissary or post exchange service. If support for the proposal is needed in Washington, this office will act on your recommendation.

3. With respect to the inspector's observation No. 36 on operations, it is requested that this office be informed of any late information regarding the possibility that British Army channels rather than Cables & Wireless carry FBIS traffic to London, and of any changes in present plans for local circuits and staffing which would be necessitated by the use of British Army channels.

cc: Warfield

PKE:gar
Admin.

This document is part of classified integrated file.
If separated from file, document is unclassified.

25X1

25X1

0000000000

CONFIDENTIAL

C
O
P
Y

C
O
P
Y

" 23 July 1948

MEMORANDUM TO THE DIRECTOR OF CENTRAL INTELLIGENCE:

THROUGH: The Executive for Inspection and Security

SUBJECT: Inspection of FBIS Operations on Cyprus

I. AUTHORITY

1. In accordance with instructions from the Executive for Inspection and Security a visit was made to the FBIS installation on Cyprus during the period 18-23 June 1948. The inspection team consisted of [redacted] Inspection Division, and [redacted] Budget and Finance.

2. For ease in reading, the Findings and Recommendations of this report are contained in Sections II and III. The Narrative of the report, which includes detailed comments, procedures and individual findings, is contained in Section IV.

II. FINDINGS

3. Construction of the FBIS station on Cyprus commenced on 21 June 1948 and is estimated to be completed in January 1949 provided there is no interruption in construction. There exists a possibility of labor trouble which would affect construction progress.

4. Procurement of sufficient qualified personnel to operate the station presents a difficult problem.

5. Approval had not been received at time of inspection for proposed wage scales submitted to the Washington Office, FBIS.

6. Approval had not been received at time of inspection for transportation of employees who may be recruited in Greece or other Mediterranean countries.

7. Other than a voluntary agreement by the British Army to allow FBIS American personnel use of Navy, Army, Air Force Institute (equivalent of U. S. Army Post Exchange) facilities, there is no way for such personnel to obtain American food, drug or tobacco products which are essential to morale.

0 82250100

8. During a three to six months period between the departure of [redacted] Chief Supply Division, and the arrival from Cairo of [redacted] Administrative Officer, Mediterranean Bureau, there will be no official present in Cyprus who is experienced in administrative and fiscal matters. This will be a serious lack, as sound administrative procedures should be established during this interval.

9. The 1948 Ford six-cylinder sedan shipped to Cyprus does not have sufficient power for the driving over mountain roads that is required of it.

10. No further left hand drive vehicles will be allowed on Cyprus by the Colonial Government.

11. Due to distance between the Consulate at Nicosia, the Police Station at Kyrenia, and the site of the monitoring station a set of finger print equipment is essential for use in preparing Personal History Statements for native and foreign national employees.

12. A need exists for files of Administrative Instructions, bulletins, memoranda, notices, pay schedules, allowance tables and other pertinent administrative material.

13. A need exists for various blank forms used in maintaining motor vehicle operating and repair costs and reporting of accidents.

14. Instructions in regard to forwarding of reports of personnel investigations are needed by the Chief of the Cyprus station.

15. A guide to supplement CIA Security Regulations is needed for the use of the Chief of FBIS field installations.

25X1 16. Excellent working relationships with the British governmental and military activities on Cyprus have been established. In this connection the work of [redacted] Chief, Supply Division, has been outstanding and is highly commendable.

17. The entire staff on Cyprus is working with a high degree of enthusiasm and is bending all its efforts toward a successful completion of this project.

III. RECOMMENDATIONS

25X1 18. Proposed wage scales forwarded to Washington Office, FBIS, for use in payment of native personnel hired on Cyprus be approved and the Chief of Mission, [redacted] be so informed.

19. Approval of plan to recruit personnel in Greece and other Mediterranean countries and pay their transportation expenses to Cyprus be expedited.

20. Arrangements be made with the Department of State, or, if impracticable, with AMAG, Athens, Greece, to provide commissary and/or Post Exchange service for FBIS employees now on Cyprus.

21. An individual well qualified in the handling of administrative and fiscal matters should be sent to Cyprus for a temporary duty period of approximately six months. The duty of this individual on Cyprus to commence prior to, if possible, the departure of Mr. Warren Spuler, Chief of Supply Division.

0000000000

1000000000

22. Any motor vehicles shipped to Cyprus in the future be right hand drive. The Colonial Government will not admit any additional left hand drive vehicles into Cyprus.

23. Future shipments of motor vehicles to Cyprus be based on recommendations as to type, etc. to be solicited from the Chief of Mission.

24. A copy of the report of investigation of native and foreign nationals rendered by the British Defence Security Officer and a copy of the Personal History Statement be forwarded to Washington for permanent retention in Inspection and Security files and another copy of the same report should be retained in the file of the Cyprus station.

25. Detailed and explicit instructions as to duties of security officers, security and disaster plans and measures are necessary for guidance of Chiefs of FBIS field installations and should be prepared by Security Branch.

26. Finger print equipment and instructions in its use be forwarded to Cyprus as it will be essential in the preparation of Personal History Statements of prospective native and foreign national employees.

27. The interim Administrative Officer recommended in Paragraph 21 be furnished with files of Administrative Instructions, bulletins, memoranda, notices, pay schedules, cost of living and rental allowance tables and other pertinent administrative material.

28. A supply of the various CIA and Bureau of Budget forms used in accounting for motor vehicle operating and repair costs and accidents be forwarded to Cyprus.

29. The Chief of Mission should be instructed to hold conversations with appropriate British Military officials with a view to arranging for military protection of proposed station in the event of labor trouble.

IV. NARRATIVE

Buildings and Construction

30. The Cyprus, FBIS, installation is now located in a two-story, plastered limestone, tile roofed, eight room dwelling

0000000000

25X1

32. Contracts have been let for the construction of the operations building, dwelling houses for Chief of Mission and Chief Radio Engineer and for foundations and erection of pre-fabricated storage building. The only contract to be let is that for erection of antenna poles.

33. Excavation was started for the foundations of the operations and storage buildings on Monday, 21 June 1948.

34. During the period of the inspection the antenna poles were being hauled by truck [] to the site, two or three poles to the truck which on each trip was preceded by a policeman mounted on a motorcycle.

25X1

Operations.

35. In regard to operations it is not felt that the question of overlapping in European coverage between London and Cyprus presents any problem. To insure effective continuous operations at all times a certain amount of overlapping is desirable inasmuch as on some occasions, through atmospheric conditions, either London or Cyprus might be unable to receive certain broadcasts. If some overlapping of the stations exists then one station can, when necessary, monitor material which the other station can not receive.

36. As yet there has been no decision made as to who will bear the cost of transmitting monitored material from the FBIS station to Cables and Wireless Ltd. at Nicosia. In addition to this Mr. Frost, Director of BBC Monitoring Service, has not as yet decided how this material will be transmitted from Cyprus to London. He is considering having it transmitted by British Army channels rather than by Cables and Wireless Ltd.

37. If the monitoring material is to be transmitted to London by Cables and Wireless, Ltd., then that organization will furnish approximately six individuals to FBIS for operating teletype machines at the FBIS station. Cables and Wireless Ltd. desires three months in which to train these people and will pay them during that time provided we make reimbursement. After the training period is finished and these individuals actually commence working at the FBIS station, they will be paid from the FBIS payroll like any other native or foreign employees.

Staff

38. The staff on Cyprus consists of a Chief of Mission, Chief Radio Engineer and Assistant Radio Engineer, all of FBIS, augmented by the Chief Supply Division, Services Branch. The enthusiasm, energy and interest devoted to the task and harmony prevailing among the staff is noteworthy.

002070100

25X1

39. Upon [] departure the services of an individual experienced in administrative and fiscal matters will be a necessity as during the interval before the arrival of the Administrative Officer from Cairo sound administrative procedures and functions must be established. It is estimated the period of time would be three to six months.

40. At the time of inspection two Cypriots were under consideration for employment, one as a part-time messenger and clerk, the other as a guard at the construction site.

41. The procurement of personnel for the Cyprus station presents many problems. Due to lack of qualifications and for security reasons very few of the Cairo native or foreign national personnel are considered eligible for employment on Cyprus.

25X1

42. [] does not plan to transfer from the Cairo station more than six natives or foreign nationals. These people will be selected on the basis of their qualifications and willingness to move to Cyprus. In connection with this it is mentioned as a matter of information that the Egyptian Government will not permit any Jews to leave Egypt.

43. Present plans call for recruiting monitorial personnel on Cyprus, in Athens, Greece, and Beirut, Lebanon, and perhaps at other points in the Mediterranean area. To find personnel who can carry out the three processes of monitoring, translating and typing will be the difficult part of recruiting. As yet approval has not been received at Cyprus for this recruiting plan which will require payment of transportation for those individuals selected from their homes to Cyprus.

Salaries and Allowances

44. There were no complaints received from any American personnel in regard to salaries or allowances. While the cost of living on Cyprus is quite high personnel there feel that it is adequately covered by the cost of living and rental allowances at the present time. Wage scales for native and foreign employees to be hired in the future have been prepared by the Chief of Mission and forwarded to Washington for approval. As yet this approval has not been received.

Property and Property Records

45. It was found that shipment CA-4 containing the bulk of the equipment needed for the Cyprus station had been received and unloaded on 13 June and as far as could be determined at the time of the visit of the inspection team it was in good condition. This material at present is being stored on the premises of the Royal Electrical and Mechanical Engineers at Larnaca, a seaport on the south side of the island. Some few items have already been transported to the FBIS office, three miles west of Kyrenia. Following construction of the pre-fabricated warehouse all this material will be transported to that place by the British Army. Material which has been shipped from Cairo to Cyprus is being carried on the property record accounts of the Cairo Office as Sub-Account #800. Records of 012-3-501-10 shipped

25X1 from the United States to Cyprus will be maintained by the Property Control Division until completion of the project. Material procured locally will be recorded on property records being established by [redacted]

26. Great difficulty has been encountered in obtaining permission from the Egyptian Government to ship any equipment or supplies from Cairo to Cyprus. It is hoped that some office supplies and parts for the jeeps and weapons carrier can be shipped to Cyprus via Military Attache's airplane in the near future.

Transportation

47. The FBIS is now operating three left hand drive motor vehicles (two jeeps, one 1948 Ford Sedan) on Cyprus; in addition to these one 3/4 ton weapons carrier will be shipped from Cairo to Cyprus. This also is a left hand drive vehicle. These vehicles have been permitted to operate on Cyprus by means of a special permit. However, the Colonial Government has stated they will not permit the entry of any more left hand drive vehicles into Cyprus. The left hand drive vehicles now on Cyprus cannot be sold or given away but when they are of no further use they must either be scrapped for parts or shipped out of the island. This matter must be carefully considered in the procurement of any additional vehicles for the Cyprus installation.

48. The two jeeps mentioned above are in good condition. The British Army will make repairs on them for the cost of the parts or materials used. The Ford Sedan is in practically new condition but needs minor adjustments. Repairs and servicing for this vehicle will be handled under contract with an automobile dealer, cost to be determined by bid.

49. The 1948 six cylinder Ford Sedan does not have sufficient power adequate for the type of driving encountered on Cyprus. There is a range of mountains three to six thousand feet in height running generally in an east-west direction on the island which must be crossed whenever a trip is made from the station site to Nicosia or Larnaca. As the capital is Nicosia and the only usable seaport Larnaca, frequent trips are necessary.

50. In order to standardize maintenance of vehicle operating, cost and accident records a supply of all pertinent CIA and Bureau of Budget forms is necessary for the Cyprus station. These forms should be forwarded as quickly as possible so that proper records can be established now.

Security

25X1 51. A meeting was held with Lieut. Colonel Patrick Turnbull, British
25X1 Defence Security Officer, at which [redacted] were also present. Colonel Turnbull has already informed [redacted] as to his requirements for information concerning any personnel FBIS intends to employ on the island; either natives, transfers from Cairo, or those recruited from other parts of the Mediterranean area. This information has been used by Colonel Seely in the preparation of a three page application blank which in reality is a modified Personal History Statement. Colonel Turnbull stated that he would require two months following the receipt of a copy of an application blank before he could complete the personnel investigation and either grant or deny security clearance. Denial of security clearance is

25X1 final. However, [] will review and evaluate all clearances and will make final decision as to the acceptability of those on which security clearance is granted. Colonel Turnbull also said that security investigations would encompass checks of police records, his own or other DSO's records, interviews with neighbors, friends, references, etc. Colonel Turnbull gave the impression that he would extend the fullest cooperation in the matter of granting security clearances to any FBIS employees.

25X1 52. No instructions have been received by [] regarding the disposition of the investigative file. It is believed that a copy of this file should be forwarded to Inspection and Security in Washington for permanent retention upon completion of the personnel action and another copy should be retained in the files of the Bureau. A memorandum in regard to this matter will be prepared by Inspection and Security for transmittal to Colonel Seely.

53. During the course of this inspection a need for a guide relative to security matters for the use of Chiefs of FBIS field installations became apparent. Selection and duties of bureau security officers, disaster planning and security measures other than those appearing in CIA Security Regulations all present problems in the solution of which the various Chiefs of Bureau require expert and uniform guidance.

25X1 54. Files are now kept in a four drawer file cabinet equipped with bar and lock. The Chief of Mission was instructed to have the three-way combination lock file cabinet received in shipment CA-4 brought up to the office as soon as possible and placed in use. [] 25X1 [] Chief, Radio Engineer, is experienced in changing combinations. There is no guard on the office at any time; security during other than working hours is dependent on locking the building. While the inspection team was on Cyprus, arrangements were being made to employ a native to guard equipment at the construction site.

55. Transmission of classified mail being sent from Cyprus is a difficult problem as the Consul had not as of 23 June received his seal for sealing pouches. Consequently while classified mail can be carried into Cyprus by diplomatic courier, none can be sent out. The Embassy Communications Officer, Cairo, will not permit couriers to accept pouches that are not properly sealed as this practice has led to trouble with the Egyptian Customs authorities.

General

56. There is a strong possibility that labor trouble will occur prior to the completion of the construction of the Cyprus station. There are two groups of labor unions on Cyprus: one known as the "Old" union, which is Communist dominated, the other known as the "New" which is anti-Communist, and is supported by the Greek Orthodox Church. The contractor who is constructing the operations building and dwelling houses and preparing the foundation for the warehouse building, in procuring labor, has

002070100

25X1 hired only members of the old union, claiming that there are not sufficient members of the new union anywhere within a reasonable distance of the construction site to provide sufficient men to carry out the project. However, a delegation from the new union has already registered a protest with [redacted] in regard to the hiring practices of the contractor. The Secretary to the Archbishop has also made plain the stand of the Church on this question. They do not feel that the American Government should support Communists. This matter has been discussed with the contractor and he has modified his hiring practices to the extent that he is now hiring non-union as well as "Old" union workers. He does not feel that members of the "Old" and "New" unions can be employed successfully on the same job. In the past labor troubles on Cyprus have been attended by violence and property damage. Negotiations with the contractor have been handled by Mr. Edward Taylor, representative of the District Engineer, Athens, Greece. His attitude has been that he cannot tell the contractor who to employ.

57. Politically about 40% of the electorate of Cyprus is Communist with the result that the mayors of five of the six largest towns on the island are Communists. There is also a Greek Nationalist movement afoot.

58. A time-consuming factor which must always be considered in connection with operations on Cyprus is the practice of the Colonial Government of moving to the mountains in June and remaining there until the end of September. The trip from the site of the station to the summer location of the government at Troodos will require about three hours driving each way over narrow winding mountain roads which are of a series of switchbacks and hairpin turns.

59. The Chief of Mission is making inquiries regarding the probable tax liability of FBIS on the property owned by it in Cyprus. The Colonial Government is now awaiting a reply on this question from London. Discreet inquiry is also being made into the liability of American employees for local income tax which is a very heavy levy.

25X1 [redacted]
Inspector

000000